

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 03161 090841Z

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07
PA-01 PRS-01 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01
FEA-01 /127 W

-----090851Z 128779 /10

R 081407Z JUN 77

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 8224

USTREASURY WASHDC

INFO AMEMBASSY ABU DHABI

AMEMBASSY BONN

AMEMBASSY CAIRO

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

LIMITED OFFICIAL USE KUWAIT 3161

E.O. 11652: N/A

TAGS: EFIN, PINT

SUBJECT: KUWAIT NEWSPAPER CALLS FOR FINANCE MINISTER'S
RESIGNATION

REF: KUWAIT 2869

1. EDITORIAL IN JUNE 7 EDITION OF AL-ANBA CALLS FOR
RESIGNATION OF LONG-TIME FINANCE MINISTER ATEEQI.
RAMBLING AND SOMEWHAT DISJOINTED, EDITORIAL GIVES AS REASONS
FOR OUSTING NEGATIVE EFFECT ON LOCAL STOCK AND
REAL ESTATE MARKETS OF ATEEQI-ORDERED CENTRAL BANK
CEILINGS ON INTEREST RATES AND REQUIREMENTS REGARDING
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 03161 090841Z

COLLATERAL FOR LOANS. EDITORIAL CLAIMS THERE HAS
BEEN A MASSIVE OUTFLOW OF FUNDS TO NEIGHBORING OFF-
SHORE BANKING UNITS AS A RESULT OF INTEREST RATE CEILINGS AND
THAT ATEEQ'S STRICT PLICIES HAVE LED TO "STAGNATION" OF
LOCAL ECONOMY AND BAKRUPTCY OF THOUSANDS OF LOCAL CITIZENS.
REFERENCE ALSO MADE TO ATEEQ'S SONE, ANWAR, AS PROFITING
FROM HIS FATHER'S POSITION.

3. EDITORIAL ACCURATELY REFLECTS COMPLAINTS OF MANY WHO GOT INTO THE STOCK AND REAL ESTATE MARKET AT THEIR PEAKS LATE LAST YEAR HAVE SINCE TAKEN A BATH PARTLY DUE TO TIGHTENING GOVERNMENT FINANCIAL POLICY, ESPECIALLY REGARDING COLLATERAL FOR LOANS AND RESERVE REQUIREMENTS. CONTENT OF EDITORIAL IS NO SURPRISE, GIVEN LONG TERM ANIMOSITY BETWEEN OWNERS OF AL ANBA, THE POWERFUL MARZOOK FAMILY, AND ATEEQI. WHAT IS A SURPRISE IS THAT CALL FOR RESIGNATION APPEARED IN KUWAIT'S CONTROLLED PRESS AND IN A NEWSPAPER OWNED BY FAMILY TRADITIONALLY CLOSE TO THE CROWN PRINCE. OUR UNDERSTANDING HAS BEEN THAT THE CROWN PRINCE HAS BEEN COMPLETELY BEHIND ATEEQI'S POLICY OF FISCAL AND FINANCIAL RESTRAINT.

3. COMMENT: ATEEQI IS NOT OF A POWERFUL FAMILY SUCH AS THE MARZOOKS. HIS POLITICAL BASE LIES IN HAVING GROWN UP WITH AND BEEN A LONG-TIME ASSOCIATE OF KUWAIT'S CROWN PRINCE. WE DO NOT THINK THAT APPEARANCE OF EDITORIAL INDICATES ATEEQI IS ON THE WAY OUT. IT SIMPLY REFLECTS ON-GOING FUED BETWEEN MARZOOK FAMILY AND ATEEQI, WHICH HAS INTENSIFIED SINCE ATEEQI CLASHED WITH LONG-TIME KUWAIT AIRWAYS CORP. DIRECTOR, JASSIM AL-MARZOOK, OVER KAC REORGANIZATION IN JANUARY. MARZOOK FAMILY, WITH INTEREST IN NUMBER LOCAL BANKS, WOULD PREFER THAT INTEREST RATES CEILING AND OTHER RESTRICTIONS ON LOCAL BANKS BE LIFTED, OTHERS WHO LIKE MARZOOKS, CRITICIZE ATEEQI, WOULD LIKE THE GOVERNMENT TO APPROVE MORE PROJECTS AND GENERALLY PUMP PRIME THE LOCAL ECONOMY. THE DEBATE IS A CLASSIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KUWAIT 03161 090841Z

ONE AND IS LIKELY TO CONTINUE. WE EXPECT THAT ATEEQI WILL BE AROUND FOR A LONG TIME TO ENGAGE IN IT AND TO ACT LIKE KUWAIT'S VERSION OF ARTHUR BURNS. SUTHERLAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, FINANCE, CABINET, PERSONNEL RESIGNATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT03161
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770205-0874
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770679/aaaacrfm.tel
Line Count: 101
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d58fa182-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 KUWAIT 2869
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2232459
Secure: OPEN
Status: NATIVE
Subject: KUWAIT NEWSPAPER CALLS FOR FINANCE MINISTER'S RESIGNATION
TAGS: EFIN, PINT, KU, (ATIQUI, ABD AL-RAHMAN AL)
To: STATE TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d58fa182-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009